

# Office of the Inspector General

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Description	FY 2003 Actual	FY 2004 Approved	FY 2005 Proposed	% Change from FY 2004
Operating Budget	\$10,887,317	\$11,293,880	\$11,294,985	0.0
FTEs	97.0	108.0	108.0	0.0

The mission of the Office of the Inspector General (OIG) is set forth by statute in D.C. Code §2-3-2.08 (a-1) (2001). As the District's watchdog over District government activities, the OIG must act independently to:

- Conduct and supervise investigations, inspections, and fiscal and management audits that relate to the programs and operations of District government departments and agencies, including independent agencies.
- Provide leadership, coordinate and recommend policies for activities designed to promote economy, efficiency, and effectiveness, and prevent and detect corruption, mismanagement, waste, fraud, and abuse in District programs and operations.
- Provide a means to keep the Mayor, Council, and District government department and agency heads fully and currently informed about problems and deficiencies relating to the administration of these programs and operations and the necessity for corrective actions.

The OIG is an executive branch agency within the District of Columbia government. Although the OIG is a subordinate agency under the administrative control of the Executive Office of the Mayor (EOM), the OIG performs its mission independently. The OIG's authority to

investigate, audit and inspect District government operations and programs is facilitated by statutory access to the records and property of other District agencies and employees. In addition, the Inspector General may issue subpoenas for witness testimony and documentation and may seek enforcement of these subpoenas by the Superior Court of the District of Columbia. If evidence of a criminal violation is uncovered, the OIG must refer the matter to the U.S. Department of Justice. If an OIG investigation yields evidence of misconduct that does not rise to the level of criminality, the OIG recommends administrative and/or disciplinary action to the Mayor or an agency head, as appropriate.

The agency plans to fulfill its mission by achieving the following strategic result goals:

- Increase the number of investigations completed.
- Increase the number of criminal matters referred to the United State Attorney's Office for prosecutorial consideration.
- Increase the number of District agencies in which audits are conducted.
- Increase the amount of potential monetary benefits due to audits.

## theFunding by Source

Tables AD0-1 and 2 show the sources of funding and FTEs by fund type for the Office of the Inspector General.

Table AD0-1

### FY2005 Proposed Operating Budget by, Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
Local Fund	10,581	9,872	10,039	10,052	13	0.1
Special Purpose Revenue Fund	0	0	0	0	0	0.0
<b>Total for General Fund</b>	<b>10,581</b>	<b>9,872</b>	<b>10,039</b>	<b>10,052</b>	<b>13</b>	<b>0.1</b>
Federal Grant	1,038	1,015	1,255	1,243	-12	-0.9
<b>Total for Federal Resources</b>	<b>1,038</b>	<b>1,015</b>	<b>1,255</b>	<b>1,243</b>	<b>-12</b>	<b>-0.9</b>
Intra-District Fund	0	0	0	0	0	0.0
<b>Total for Intra-District Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Gross Funds</b>	<b>11,619</b>	<b>10,887</b>	<b>11,294</b>	<b>11,295</b>	<b>1</b>	<b>0.0</b>

Table AD0-2

### FY 2005 Full-Time Equivalent Employment Levels

Appropriated Fund	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
<b>General Fund</b>						
Local Fund	89	82	92	96	4	4.3
<b>Total for General Fund</b>	<b>89</b>	<b>82</b>	<b>92</b>	<b>96</b>	<b>4.3</b>	
<b>Federal Resources</b>						
Federal Grant	13	15	16	12	-4	-25.0
<b>Total for Federal Resources</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>12</b>	<b>-4</b>	<b>-25.0</b>
<b>Total Proposed FTEs</b>	<b>102</b>	<b>97</b>	<b>108</b>	<b>108</b>	<b>0</b>	<b>0.0</b>

## Expenditure by Comptroller Source Group

Table AD0-3 shows the FY 2005 proposed budget for the agency at the Comptroller Source Group level (Object Class level).

Table AD0-3

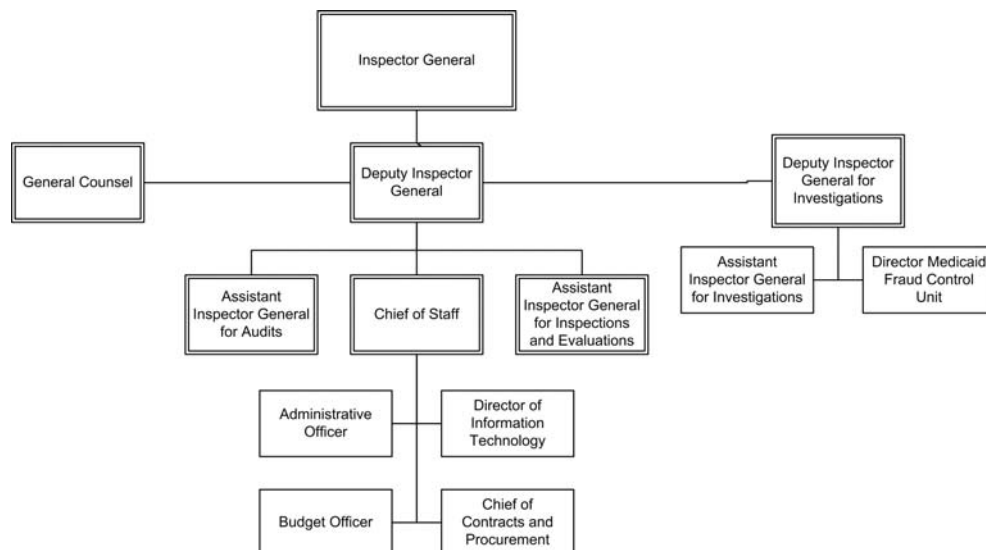
### FY 2005 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

	Actual FY 2002	Actual FY 2003	Approved FY 2004	Proposed FY 2005	Change from FY 2004	Percent Change
11 Regular Pay - Cont Full Time	6,410	6,454	7,118	7,113	6	0.1
12 Regular Pay - Other	36	4	0	0	0	0.0
13 Additional Gross Pay	228	57	0	0	0	0.0
14 Fringe Benefits - Curr Personnel	1,002	972	1,079	1,096	17	1.5
<b>Subtotal Personal Services (PS)</b>	<b>7,676</b>	<b>7,487</b>	<b>8,191</b>	<b>8,213</b>	<b>23</b>	<b>0.3</b>
20 Supplies And Materials	95	39	66	59	-7	-10.1
31 Telephone, Telegraph, Telegram, Etc	113	96	112	131	19	16.9
32 Rentals - Land And Structures	740	821	824	851	27	3.2
34 Security Services	10	12	17	18	2	10.0
40 Other Services And Charges	2,666	2,326	1,980	1,931	-49	-2.5
41 Contractual Services - Other	0	0	0	0	0	0.0
50 Subsidies And Transfers	89	89	89	92	2	2.5
70 Equipment & Equipment Rental	230	17	16	0	-16	-100.0
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>3,943</b>	<b>3,400</b>	<b>3,103</b>	<b>3,082</b>	<b>-22</b>	<b>-0.7</b>
<b>Total Proposed Operating Budget</b>	<b>11,619</b>	<b>10,887</b>	<b>11,294</b>	<b>11,291</b>	<b>1</b>	<b>0.0</b>

Figure AD0-1

### Office of the Inspector General



## Gross Funds

The proposed gross funds budget is \$11,294,985, representing a change of \$1,105 over the FY 2004 approved budget of \$11,293,880. There are 108.0 total FTEs for the agency, no change from FY 2004.

## Programs

The Office of the Inspector General accomplishes its mission through four operating divisions:

- The **Audit Division** is responsible for auditing District organizations, programs, functions, and activities. These audits complement other elements of management evaluations and are aimed at providing reliable and constructive recommendations for improved administration of operations. Audits provide management with an independent appraisal of whether desired results and objectives are achieved efficiently, economically, and in accordance with prescribed laws, regulations, policies, and procedures.
- The **Inspections and Evaluation Division** is responsible for conducting inspections of District agencies and programs. An OIG inspection is a process that evaluates, reviews, and analyzes the management, programs and activities of a District department or agency in order to provide information and recommendations that will assist managers in improving the operations of an organization, program, policy, or procedure. The objectives of inspections include providing senior managers with an independent source of factual and analytical information about vital operations, measuring performance, assessing efficiency and effectiveness, identifying areas of mismanagement, fraud, waste, and abuse. Agency compliance with the Inspector General's recommendations are subsequently monitored to insure that deficiencies have been addressed.
- The **Investigations Division** is responsible for conducting criminal and administrative investigations into allegations of waste, fraud, and abuse on the part of District government employees and contractors. In addition, the Investigations Division conducts investiga-

tions of District government employee conduct alleged to be in violation of the Standards of Conduct.

- The **Medicaid Fraud Control Unit's** (MFCU) enforcement efforts fall into two general categories: a) financial fraud against the Medicaid program; and b) abuse or neglect of patients in Medicaid-funded nursing homes and other institutional settings or board care facilities. Both of these areas entail investigations, litigation, outreach, and legislative components.

## General Funds

**Local Funds.** The proposed budget is \$10,051,704, representing a change of 0.1 percent over the FY 2004 budget of \$10,038,963. There are 96.0 FTEs for the agency, an increase of four, or 4.3 percent, from FY 2004. The increase in FTEs is due to positions incorrectly classified as federal.

Changes from the FY 2004 approved budget are:

- A decrease of \$170,110 in regular pay and fringe benefits due to vacancy savings.
- An increase of \$164,283 in regular pay and fringe benefits due to the 2.5 percent pay adjustment for nonunion employees.
- A redirection of \$44,513 from other services, equipment, and supplies to fixed costs based on estimates from the Office of Property Management and the Office of the Chief Technology Officer.
- An increase of \$32,764 in other services for mandatory training requirements for new investigators and auditors.
- A decrease of \$29,890 in other services due to a program reduction.
- An increase of \$15,694 in fixed costs based on estimates from the Office of Property Management and the Office of the Chief Technology Officer.
- A redirection of \$8,952 from other services to personal services for increased personal costs.
- A redirection of \$3,125 from personal services to other services for training and office

support.

- A redirection of \$2,864 from security services to other services for printing of the annual OIG report.

## Federal Funds

**Federal Grants.** The proposed budget is \$1,243,281, representing a change of 0.9 percent from the FY 2004 budget of \$1,254,917. There are 12.0 FTEs for the agency, a decrease of four, or 25.0 percent, from FY 2004. The decrease in FTEs is due to Local positions incorrectly classified as federal.

Changes from the FY 2004 approved budget are:

- A redirection of \$22,468 from nonpersonal services to personal services to support increased personnel costs.
- A decrease of \$11,636 in nonpersonal services to align with the available grant funds in FY 2005.
- A redirection of \$308 from other services to personal services to align regular pay with Schedule A.

## Agency Goals and Performance Measures

**Goal 1: Promote economy, efficiency, and effectiveness and improve financial management.**

*Citywide Strategic Priority Area(s):* Promoting Economic Development; Making Government Work

*Manager(s):* Cheryl Johnson, Deputy AIG for Audits

*Supervisor(s):* William J. DiVello, AIG for Audits

**Measure 1.1: Number of financial and performance audit reports produced on District programs and operations**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	18	24	24	24	24
Actual	31	27	-	-	-

**Measure 1.2: Number of management reports produced**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	19	13	14	15	15
Actual	5	10	-	-	-

**Measure 1.3: Potential monetary benefits due to audits (millions of \$)**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	32	25	25	25	30
Actual	41	49	-	-	-

**Measure 1.4: Number of District agencies in which audits were conducted**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	18	20	22	22	22
Actual	24	23	-	-	-

**Measure 1.5: Percentage of recommendations implemented**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	-	-	85	-
Actual	80	N/A	-	-	-

Note: OIG conducted an audit of District Agencies' Implementation of Audit Recommendations in FY 2002. The audit will be conducted on a triennial basis with the next audit scheduled to be completed in FY 2005.

**Goal 2: Abate public corruption and fraud in District agencies.**

*Citywide Strategic Priority Area(s):* Promoting Economic Development; Making Government Work

*Manager(s):* Alfred Miller, Deputy AIG for Investigations

*Supervisor(s):* Robert G. Andary, AIG for Investigations

**Measure 2.1: Number of investigation reports prepared**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	95	90	95	-	-
Actual	25	18	-	-	-

Note: The number for FY2003 reflects a change in reporting procedures. Investigation reports are no longer prepared where allegations are unsubstantiated. Those cases are closed administratively by memorandum without the issuance of a report. Target numbers will be revised in future years to reflect historic trend and revised reporting procedures (1/9/04).

**Measure 2.2: Number of investigation matters received**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	640	450	450	-	-
Actual	451	408	-	-	-

Note: Outside the control of OIG.

**Measure 2.3: Number of investigations opened**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	175	180	190	120	120
Actual	162	124	-	-	-

Note: This measure is also outside the control of the OIG in that the number is controlled by the number of investigative matters received and the quality of the allegations received. The actual number for FY 2003 also reflects a greater effort to include new matters in the Investigations Division referral program (see measure 2.5 below) (2/27/04).

**Measure 2.4: Number of investigations closed**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	180	185	194	150	150
Actual	299	290	-	-	-

**Measure 2.5: Number of matters referred**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	155	160	170	170	170
Actual	143	168	-	-	-

Note: Partially outside the control of OIG (see Measure 2.3 above).

**Measure 2.6: Number of referrals closed**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	130	144	153	130	130
Actual	163	127	-	-	-

**Measure 2.7: Number of management reports produced, including Management Alert, Fraud Alert, and Management Information Reports**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	18	10	10	-	-
Actual	6	6	-	-	-

**Measure 2.8: Number of hotline calls received**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	374	200	200	-	-
Actual	211	133	-	-	-

Note: Outside the control of OIG.

**Measure 2.9: Number of criminal convictions**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	16	25	10	10
Actual	16	8	-	-	-

Note: This measure was established in FY 2003 and may have to be adjusted to reflect that cases can take more than a year to result in a conviction, resulting in spikes in years following the initiation of major corruption investigations (1/9/04).

**Measure 2.10: Dollar value of fines, recoveries and restitutions (millions of dollars)**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	1.0	1.2	0.5	1
Actual	1.0	0.4	-	-	-

Note: This measure was established in FY2003. The actual figures for FY 2003 do not reflect \$514,000 of FY 2003 restitution that was misreported as FY2002 restitution (see OIG FY 2003 Annual Report page 73) (1/9/04).

**Measure 2.11: Number of investigative recommendations**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	-	-	35	-
Actual	N/A	N/A	-	-	-

Note: New measure beginning in FY 2005 (2/27/04).

**Measure 2.12: Number of indictments and informations**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	-	-	10	-
Actual	N/A	N/A	-	-	-

Note: This new performance measure reflects the criminal law enforcement responsibility of the Investigation Division (2/27/04).

**Goal 3: Promote economy, efficiency, and effectiveness and address high-priority issues.**

*Citywide Strategic Priority Area(s):* Promoting Economic Development; Making Government Work

*Manager(s):* Robert Isom, Deputy AIG for Inspections and Evaluations

*Supervisor(s):* Alvin Wright Jr., AIG for Inspections and Evaluations

**Measure 3.1: Number of inspections conducted**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	N/A	N/A	4	4
Actual	N/A	N/A	-	-	-

Note: OIG adjusted the FY 2003-2004 targets from 12 to 6 reports. (01/02/03)

**Measure 3.2: Number of inspection reports prepared**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	10	6	6	4	4
Actual	1	8	-	-	-

**Measure 3.3: Number of reinspections conducted**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	N/A	N/A	3	3
Actual	N/A	N/A	N/A	-	-

**Measure 3.4: Number of reinspection reports prepared**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	N/A	N/A	3	3
Actual	N/A	N/A	N/A	-	-

**Goal 4: Heighten integrity awareness and fraud deterrence.**

*Citywide Strategic Priority Area(s):* Promoting Economic Development; Making Government Work

*Manager(s):* TBD, Deputy Director

*Supervisor(s):* Susan B. Kennedy, Acting Director (12/03 to present)

**Measure 4.1: Number of reports addressing unusual incidents at nursing and group homes including incidents resulting in injury or illness to a ward or resident of a nursing home, community residence facility, or group home for persons with mental retardation**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	600	400	400	400	400
Actual	816	973	-	-	-

**Measure 4.2: Number of fraud cases initiated**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	50	30	30	30	30
Actual	30	27	-	-	-

Note: The number of fraud cases initiated is dependent on the number of allegations made, which is outside the control of OIG.

**Measure 4.3: Amount of recovered funds including damages assessed, penalties imposed, and overpayments recouped (millions of dollars)**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	1.5	2.5	2.5	2.5	2.5
Actual	0.4	13.2	-	-	-

Note: FY 2001 actual is \$353,017. Although the FY 2002 actual is approximately \$361,000, settlement offers have been received that far exceed the \$1.5 million for FY 2002 and the out year targets as well. The pace of litigation, which cannot be controlled, prevents claiming these settlements until the fiscal year in which they are finalized.

**Measure 4.4: Number of division reports issued**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	18	15	15	15	15
Actual	14	13	-	-	-

Note: OIG has reduced the FY 2003-2004 targets from 25 and 30 reports, respectively, to 15 reports each year to reflect historical trends (1/02/03).

**Measure 4.5: Number of matters accepted for prosecution**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	10	15	15	15
Actual	6	10	-	-	-

Note: Measure 4.5 is the agency's output in response to the number of referrals, a demand measure.

**Measure 4.6: Number of abuse cases initiated**

	Fiscal Year				
	2002	2003	2004	2005	2006
Target	N/A	20	20	20	20
Actual	18	23	-	-	-

Note: Measure 4.6 is the agency's output in response to the number of reports of abuse, a demand measure.

